

Comments on SR-OCC-2022-802

Notice of Filing of Advance Notice Related to a Master Repurchase Agreement as Part of The Options Clearing Corporation's Overall Liquidity Plan

I write to express my concern at the proposed. My thoughts:

- If the OCC believes there is a need to increase their available funds due to a concern of a Clearing Member default, then they should seek to increase the insurance reserve pot that their Clearing Members are obligated to provide that is appropriate to the risks the OCC assess their Member's are taking.
- This should ensure that the Clearing Member's self govern their risk and pressure/manage the risk of their other Clearing Members so that the funds they are obliged to commit to the insurance fund are minimised.
- The OCC has sought to use the name of the transaction vehicle as a Master Repurchase Agreement (MRA) to make those reading the proposal believe the standard checks and requirements would be applicable for security. However, the body of the proposal stipulates that the terms of the MRA are adjusted to make the agreement very different.
- The special terms proposed for the agreement would make the security/risk of the agreement very one sided and not an attractive proposition for a counterparty to enter into with the OCC unless that counterparty knew there was a high potential they would not be repaid.
- The proposal in which the special terms of the agreement also require each party to not be able to declare the other party as 'in default' seems like a protective measure taken in advance with the knowledge that condition is very likely going to be in affect and the clause is a 'protection' against one party breaching a 'gentlemans agreement'
- My concerns are there is no protection to the customers and investors of the OCC's counterparty to the MRA and it would promote a negligent action on their part to enter into such an agreement.

In summary, it appears to me that the proposed MRA and the special terms of said MRA are intended as a way to provide liquidity to the OCC from an external source and shift the burden of risk and potential recourse onto that counterparties customers/investors (The general public?) rather than their own Clearing Members.

I do not believe the OCC should be given access to this MRA and they should be required to raise their funding internally among their Clearing Members.

Kind Regards,